

Remarks Following a Discussion on Employer Health Care Costs

May 12, 2009

Hello, everybody. We just had a wonderful conversation that is a corollary to the discussion that I had yesterday, and you may be seeing a theme. This was—we're doing some stuff on health care because I think the country is geared up, businesses are geared up, families are geared up, to go ahead and start solving some of our extraordinary health care system problems.

Yesterday we focused a lot on cost. One element of cost is that where companies are able to take initiatives to make their employees healthier, to give them incentives and mechanisms to improve their wellness and to prevent disease, companies see their bottom lines improve. And so what we've done is to gather together a group, today, of some of the best practitioners of prevention and wellness programs in the private sector.

You have companies like Safeway that have been able to hold their costs flat for their employees at a time when other companies are seeing double-digit inflation in their health care. You've got terrific innovations at companies like Microsoft, where they actually have used home visits of doctors to reduce the utilization of emergency room care and are saving themselves millions of dollars.

We've got the hotel employees union that has been taking data and working individually with providers as well as their membership, working with the employer and the employee as well as the providers, and seeing huge reductions in some of the costs related to chronic illnesses.

Johnson & Johnson's has been a leader in this area since 1978. Pitney Bowes has been taking similar approaches and seeing millions of dollars in savings to their bottom line. The Ohio Department of Public Health has been doing terrific work with respect to their State employees as well as spreading the message across the State.

And then REI, which has to be fit since they're a fitness company, has been doing work that allows them to provide health care coverage—health insurance, not only to their full-time employees, but also their part-time employees. Every single employee is covered, but part of the reason they're able to do it is because they put a big emphasis on prevention and wellness.

So what you—what we've done here today is to gather together some of these stories and best practices to make sure that they are going to be informing the health care reform discussions that take place here in Washington. There's no quick fix; there's no silver bullet. When you hear what Safeway or Johnson & Johnson or any of these other companies have done, what you've seen is sustained experimentation over many years and a shift in incentive structures so that employees see concrete benefits as a consequence of them stopping smoking or losing weight or getting exercise, working with providers so that the provider incentives are aligned with the employee incentives as well, and changing the culture of the company.

Now, if we can do that in individual companies, there's no reason why we can't do that for a country as a whole. Part of what we want to do here, starting here today, is to lift up these best practices so other companies can identify and potentially implement them; but also to

make sure that when we think about how we're going to reform the health care system as a whole, when we think about things like Medicare and Medicaid reimbursements, when we think about how we can make the system more efficient, that we're not just doing this in the abstract, but we're actually taking proven measures that have been applied in the private sector and seeing how we can apply those, for example, to Federal employees and our employee health care system. All this designed to save taxpayers money, save businesses money, and, ultimately, make the American people healthier and happier and make sure that we're getting a better bang for our health care dollar.

So it's been a terrific conversation. This will be a part of the ongoing process that we're developing over the next several months, and I appreciate all of you for participating in a wonderful conversation.

All right. Thank you, guys. Thank you, everybody.

NOTE: The President spoke at 12:23 p.m. in the Roosevelt Room at the White House.

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